


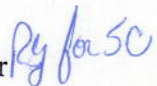
**DEPARTMENT OF HUMAN SERVICES
SOCIAL SERVICES ADMINISTRATION
311 WEST SARATOGA STREET
BALTIMORE, MD 21201**

DATE: January 22, 2018

POLICY DIRECTIVE: SSA-CW#18-12

TO: Directors, Local Departments of Social Services
Assistant Directors, Services
Fiscal Officers

FROM: Rebecca Jones Gaston, MSW 
Executive Director
Social Services Administration

Stafford Chipungu, Chief Financial Officer 
Office of Budget and Finance

RE: Utilization of Foster Youth Savings Program Funds

PROGRAMS AFFECTED: Placement and Permanency

ORIGINATING OFFICE: Placement and Permanency

ACTION REQUIRED OF: All Local Departments of Social Services

REQUIRED ACTION: Implementation of Foster Youth Savings Program Funds

ACTION DUE: January 1, 2018

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PURPOSE:

This policy directive provides guidance to the Local Departments of Social Services (LDSS) as it relates to the implementation of the Foster Youth Savings Program. The Foster Youth Savings Program is a savings account program that helps youth to save funds for the purpose of establishing future assets.

BACKGROUND:

Maryland's Transitional Youth Services focuses on preparing emerging adults exiting the foster care system to be independent and self-sufficient. From the ages of 14-20, youth receive a diverse range of services to build skills for adulthood. The core service components include education, employment, health/mental health, housing, financial literacy/resources and ongoing family/friend support. Guidance outlined in the *Ready by 21 Manual* identifies benchmarks that staff at the Local Departments of Social Services utilizes as a resource tool.

The Foster Youth Savings Program supports existing financial literacy efforts and will assist transitional aged youth ages 14-20 to have access to a pool of resources and an infrastructure for meeting their savings needs throughout their lives. The Foster Youth Savings Program will help transitioning young adults save for a personal goal as well as housing, education, and career investments. Furthermore, the services provided by the Foster Youth Savings Program will help youth develop and build skills around financial capability and independence -- serving as part of the foundation for youth achieving successful adulthood.

ELIGIBILITY:

All youth ages 14-20 in an out-of-home placement and committed to the local department as of December 31, 2017, are eligible to participate in the Foster Youth Savings Program. Each youth receives a one-time only contribution of funds based on their age to be deposited in their account. All eligible youth will receive their one time contribution beginning January 1, 2018 through January 31, 2018. All subsequent newly eligible youth turning age 14 or entering out of home placement through June 30, 2018, should receive their one time contribution of funds based on their age to be deposited in an account within 60 days of commitment to the local department or meeting the age requirement.

ACTION:

LDSS must establish custodial/trust accounts through the local finance office, or Achieving a Better Life Experience (ABLE) accounts for all youth ages 14-20 in an Out-of-Home placement.

These accounts are not considered as resources and are explicitly designed for the conservation of funds held in trust on behalf of the youth. These savings funds are NOT considered resources of a child that are utilized to offset the cost of care as defined in COMAR 07.02.11.29A.

Furthermore, the Foster Youth Savings Program funds cannot be utilized in place of other available grant funding for youth in foster care, Chafee funds, Title IV-E, state and local funds.

As of December 31, 2017 all youth ages 14-20, who are committed to the local department are eligible for this program.

Youth who are ages 14-17 will receive \$350 and youth who are ages 18-20 will receive \$800. The older youth in foster care are receiving a higher amount of initial funds as they are closer to exiting foster care and achieving successful adulthood. Youth who are 14-17 years old may have a longer opportunity to acquire additional funds in the savings program than the youth who are 18-20 years old.

Access to Funds:

When youth exit foster care on or after their 18th birthday, the LDSS will release the savings funds to the youth at that time.

If youth exit care to permanency prior to their 18th birthday, the LDSS should transfer the funds to the appropriate custodian of the youth.

Youth who qualify for ABLE accounts are restricted in purchases.

Responsibility of the LDSS:

Establish a Custodial/Trust account, or ABLE account for all youth ages 14-20 in an out-of-home placement, and notifies each child of the account.

- CASEWORKER
 - Process an MD CHESSIE Service Log to generate a State payment for deposit into the account each eligible child.
 - Clearly document in the Service Log justification “Foster Youth Savings Program.”
 - Use fiscal category code 7112.
 - If utilizing the Custodial/ Trust account for the youth, notify Finance when youth are exiting care in order to make final disbursement of account funds.

- Send notification to the youth regarding the existence of the account.

- FINANCE

- Insure that Custodial/Trust account assets are conserved in an interest bearing account.
- Trust accounts may be child specific or commingled.
- Service charges shall be paid by the Program. Record the expense to category code 7112.
- Record trust account activity in MD CHESSIE utilizing the Child Accounts module.
 - Use existing “conserved” trust accounts for children who receive or have received other private funds.
 - Do not utilize existing “dedicated” accounts established for large lump sum retro-active Supplemental Security Income (SSI) benefits
 - Record receipts as *Transaction Source* “Other (Ancillary),” to ensure the funds are **NOT** utilized to reimburse cost of care.
- Every 6 months, in July as of June 30th and in January as of December 31st, send each child a statement of account.
- Process final disbursement of account balances upon notification of youth exiting care.
- Keep an accurate and up-to-date record of number of youth served by the Foster Youth Savings Program.

ABLE Accounts:

For youth who are SSI/SSDI recipients, the Local Department of Social Services must assist youth in establishing ABLE accounts which are tax-advantaged savings accounts for individuals with disabilities.

Youth who are eligible for ABLE accounts will have the restrictions associated with the ABLE requirements and approved ABLE expenses. Most costs related to living with a disability qualify, especially things that are geared toward improving health, independence and quality of life.

SSA and Maryland ABLE will provide a specialized training on ABLE accounts in February. This will enable the local department to educate eligible youth on the parameters of the ABLE account.

ABLE accounts may be set up on line at <https://www.marylandable.org>.